



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0023

PAUL R. LEPAGE  
GOVERNOR

ANGELA R. FAHERTY, Ph.D.  
COMMISSIONER

**Exhibit #X.B.**

TO: Members of the State Board of Education

FROM: Angela R. Faherty, Ph.D., Commissioner\*

DATE: February 9, 2011

SUBJECT: Federal Qualified School Construction Bond Program – RSU 49/SAD 49

**STATEMENT OF FACT**

The Department of Education coordinates the Federal Qualified School Construction Bond (QSCB) program. QSCBs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders or direct payment interest subsidies to issuers. Bond proceeds can be used for construction, rehabilitation, or repair of public school facilities.

RSU 49/SAD 49 submitted a 2010 QSCB application for Benton Elementary School and on June 9, 2010 received State Board of Education approval for a QSCB allocation in the amount of \$740,000. RSU 49/SAD 49 has requested that they be permitted to return their allocation to the Department of Education and that the Department reissue the RSU 49/SAD 49 allocation directly to the Maine Municipal Bond Bank (MMBB) for the RSU 49/SAD 49 project. Pursuant to this reallocation, the MMBB would issue QSCBs to provide funds for the previously approved RSU49/SAD 49 project.

**CONSTRUCTION COMMITTEE RECOMMENDATION**

On Monday, January 31, 2011, the Construction Committee voted unanimously to recommend that the State Board approve that the 2010 Federal allocation to RSU 49/SAD 49 of QSCBs in the amount of \$740,000 be reallocated to the Maine Municipal Bond Bank provided that the QSCBs issued by the Maine Municipal Bond Bank pursuant to this allocation shall be issued to provide funds for the RSU 49/SAD 49 project that the State Board of Education previously approved on June 9, 2010.

**DEPARTMENT RECOMMENDATION**

The Department of Education recommends that the State Board approve that the 2010 Federal allocation to RSU 49/SAD 49 of QSCBs in the amount of \$740,000 be reallocated to the Maine Municipal Bond Bank provided that the QSCBs issued by the Maine Municipal Bond Bank pursuant to this allocation shall be issued to provide funds for the RSU 49/SAD 49 project that the State Board of Education previously approved on June 9, 2010.

\*Prepared by the School Facilities Services Team